

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF THE CHAIRMAN

February 28, 2002

The Honorable Joe Barton, Chairman
Subcommittee on Energy and Air Quality
U. S. House of Representatives
Washington, D. C. 20515

Dear Chairman Barton:

This is in response to Congressman Waxman's request for information asked at your subcommittee hearing on February 13, 2002. He asked me to provide a list of my contacts with Enron officials during my terms as a commissioner at the Federal Energy Regulatory Commission (FERC) and at the Public Utility Commission of Texas (PUCT).

As the enclosed chronology details, I first met Ken Lay on May 29, 1996, when I was invited to present an update on Texas telecommunications and electric utility regulation to the members of the Governor's Business Council, an advisory group of Texas business executives that Mr. Lay had chaired since then-Governor Ann Richards formed the council in the early 1990's.

The enclosed chronology reflects my best recollection of all contacts I had with Enron officials based in part on calendars I have maintained since January 1996. I do not have any records prior to January 1996. I have not maintained phone logs during this period. Despite this, I believe that the contacts in the enclosed chronology represent all contacts with Mr. Lay and other officials, with the exception of Steve Kean, with whom I may have talked by phone two or three times over the seven-year period. From my records, the first occurrence of a meeting with Steve Kean is in 1998, but I feel certain we had been introduced sometime prior to that date.

In addition, the enclosed chronology does not list any meetings with non-executive Enron staff or outside attorneys, nor does it reflect contacts I may have had at legislative hearings, PUC Open Meetings, public conferences or public speeches. The enclosed chronology does not reflect several meetings I had with former Enron de Mexico President Max Yzaguirre in Texas during May, 2001 to discuss the duties of a PUCT Commissioner.

- 2 -

Finally, as you prefaced your oral request with a reference to letters Mr. Lay was reported to have written endorsing my nomination to both my current and prior positions, the letter that actually played a role in getting me an interview with then Governor Bush in early 1995 has not been in the public record. In 1991-1993 I worked as a legal counsel to FERC Commissioner Jerry J. Langdon, a Democrat from Midland, Texas who had known Governor Bush for many years. Martin L. Allday, also from Midland, was Chairman of FERC under President George H. W. Bush, including during the time I worked for Commissioner Langdon. Shortly after the 1994 Texas gubernatorial election, these two men wrote a letter recommending me to Governor-elect Bush for the open PUCT position. After his inauguration, Governor Bush called me in for an interview for the position on January 27, 1995. During my interview, I observed the enclosed letter from Chairman Allday and Commissioner Langdon on his desk. He offered me the position after our interview. I accepted it, and following my confirmation by the Texas Senate on February 22, 1995, was sworn in by Governor Bush and joined the PUCT the following day.

I trust this information satisfies the request. Please contact me if I can provide any further information.

Best regards,



Pat Wood, III
Chairman

Enclosures

Cc: The Honorable Rick Boucher

VTACTS Between Pat Wood, III and Enron Officials during Wood's terms at Texas PUC and FERC (February 23, 1995 to date)

<u>TE</u>	<u>Enron Official</u>	<u>Contact Type</u>	<u>Subject Matter of Content</u>
2/9/96	Ken Lay	Wood's presentation at Governor's Business Council (100+ Texas business leaders; chaired by Lay)	Wood updated Council on telecom and electric utility regulation
3/97	Jeff Skilling	Wood presentation at DOE-sponsored fact-finding trip for German utility officials held at Enron's offices	Wood presentation to Germans on Texas regulation. Visit to "trading floor"
3/97	Ken Lay	Wood phone call to Lay	Wood seeking Enron support for Gov.'s utility restructuring bill (unsuccessful)
1/5/98	Steve Kean	Kean visit to Wood office	(No specific notes of visit. Based on date, I expect discussion related to upcoming activities of Legislative study committee on electric restructuring)
11/29/99	Ken Lay	Wood's presentation at Governor's Business Council	Wood updated Council on telecom and electric utility regulation
1/24/01	Ken Lay	Wood phone call to Lay	Wood's concern about erratic shift of Enron policy on key Texas market design issue. Lay's congratulations on Wood's rumored FCC appointment (no response from Wood since Wood's 10/6/00 and 1/16/01 conversations with Clay Johnson regarding FERC position were not public).
-5/2/01	Steve Kean	Meeting in Washington DC	Update on Congressional activity relating to electric restructuring
9/20/01	Stan Horton Mark Frevert Steve Kean	Visit to Wood office with Jerry Halvorsen of INGAA and other pipeline company officials	Pipeline industry preparations following 9/11 attacks. (Thank you note from Frevert received on 9/26/01).
10/3-4/01	Ken Lay	Wood presentation at US Energy Policy conference in Arlington, VA	Wood at speakers' table with Lay, Barton, Bingaman and Schlesinger on 10/3; Wood presentation to conference on 10/4
11/8/01	Ken Lay	Lay phone call to Wood (not reached)	From Email of phone message, it appears to have been a call to inform of proposed merger with Dynegy

November 18, 1994

Mr. George Bush
5950 Berkshire, Suite 990
Dallas, Texas 75225

Re: Public Utility Commission
Pat Wood

Dear George: *Governor* :

We know you are besieged with requests from many sides by various individuals and/or interests for appointments to the many areas of government that you will be overseeing as Governor of our state.

Yesterday the undersigned were visiting about a lawyer named Pat Wood who is currently the legal assistant to Barry Williamson at the Railroad Commission. Pat Wood was a legal assistant in Langdon's office, who, as you know, served with Allday on the Federal Energy Regulatory Commission in Washington during the time your dad was President. He is a Port Arthur native and an Aggie (that's OK) who subsequently got his law degree from Harvard University.

We both understand that there are appointments made for political reasons, but there are also appointments that need to be made based on expertise and ability. A Public Utility Commissioner is one of the latter. It is a critical appointment to the well-being of Texas. Experience in fair regulation, with no ax to grind, and protection of the consumer, coupled with a need to encourage the regulated industries, is truly needed at this vital Commission.

Because we both have seen first-hand (in spades) the ability, integrity, energy and dedication to service that Pat Wood exemplifies, we recommend that you consider appointing him to the above Commission. You simply could not do much better from our way of thinking.

We understand that Barry Williamson is aware of Pat Wood's interest in the indicated position. We both know from personal experience that when you lose a trusted helper it hurts, but in fairness you must let that helper progress when the opportunity arises. We believe Barry would hurt, but be willing.

Mr. George Bush
November 18, 1994
Page 2

Enclosed you will find a resume. If you want to discuss Pat Wood with either or both of us, feel free to call.

Yours truly,



Martin L. Allday
600 Congress Avenue, Suite 1500
Austin, Texas 78701
512/495-6354



Jerry J. Langdon
700 Milam Street, 13th Floor
Houston, Texas 77002
713/546-3765